



**DEPARTMENT OF BUSINESS,
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Statement of
MIKE MCCARTNEY
Director

Department of Business, Economic Development, and Tourism
before the

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Thursday, February 17, 2022
2:00 PM

State Capitol, Conference Room 329

In consideration of
HB2448 HD1
RELATING TO A STATEWIDE DATA HUB.

Chair Johanson, Vice Chair Kitagawa and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) supports HB2448 HD1, which requires DBEDT to establish and maintain a statewide data hub to collect employer and employee data. Additionally, this bill authorizes the DBEDT to determine the type of employer and employee data to collect, the functions of the statewide data hub, and access and document retention policies for the data.

In 2021, the Federal Labor Research Program was transferred from the Department of Labor and Industrial Relations to DBEDT. The program collects employer and employee data that is defined and funded by the U.S Bureau of Labor Statistics. With the authorization, DBEDT will continue working with the federal government, Hawaii employers and employees, and other state agencies to collect and report Hawaii labor statistics on timely basis.

Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR



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FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
ON
HOUSE BILL NO. 2448, H.D. 1

February 17, 2022
2:00 p.m.
Room 329 and Videoconference

RELATING TO A STATEWIDE DATA HUB

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 2448, H.D. 1, requires the Department of Business, Economic Development and Tourism (DBEDT) to establish and maintain a Statewide Data Hub (SDH) to collect employer and employee data; authorizes DBEDT to determine the type of employer and employee data to collect; and appropriates an unspecified amount of general funds for FY 23 to DBEDT to design, install, populate, and manage the SDH.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and

- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



LATE

TESTIMONY OF TINA YAMAKI, PRESIDENT
RETAIL MERCHANTS OF HAWAII

February 17, 2022

Re: HB 2448 HD1 RELATING TO A STATEWIDE DATA HUB.

Good afternoon, Chairperson Johanson and members of the House Committee on Consumer Protection and Commerce. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901, RMH is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, local, national, and international retailers, chains, and everyone in between.

While we understand the state's want for this type of information, we are opposed to HB 2448 HD1 Relating to a Statewide Data Hub a currently written. This measure requires the department of business, economic development, and tourism to establish and maintain a statewide data hub to collect employer and employee data. Authorizes the department of business, economic development, and tourism to determine the type of employer and employee data to collect, the functions of the statewide data hub, and access and document retention policies for the data. Appropriates funds. Effective 12/25/2040.

Retailers are concerned about the type of information that is being sought since this measure has no real parameters and the information does not seem to be aggregated. The information being asked for could include sensitive information that is proprietary. If leaked, it could mean that company may lose a competitive edge or business contracts. While this information will be shared with other government agencies, it is not clear how this information will be kept secure, what information will be shared and for what purpose.

We are also concerned that this type of data and information can be used against businesses in regard to future legislation, rules and regulations.

Mahalo again for this opportunity to testify.